

Message Text

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ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 TRSE-00 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 PA-02 PRS-01 USIA-15 /069 R

66606

DRAFTED BY:XMB:AMGHANIAN

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EB/IFD/ODF:RASWART

ARA/APU:PMATHESON

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R 201528Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES

UNCLAS STATE 062871

E.O. 11652: N/A

TAGS: APUB, AR

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO ARGENTINA.

FOR YOUR INFORMATION ONLY, FOLLOWING IN FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 2,594,250 TO SOCIEDAD SIDERURGIA MIXTA ARGENTINA (SOMISA). RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, DC FOR A.M. PAPERS, WEDNESDAY, APRIL 2, 1975.

QUOTE: EXIMBANK CREDIT OF DOLS 2,594,250 SUPPORTS DOLS 5,765,000 SALE OF U.S. EQUIPMENT FOR STEEL PLANT OF ARGENTINE COMPANY

TO HELP FINANCE A DOLS 5,765,000 SALE OF U.S. EQUIPMENT AND SERVICES REQUIRED FOR EXPANSION OF A STEEL PLANT IN ARGENTINA, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED
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STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 2,594,250 TO

FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J. CASEY. THE BALANCE OF THE U.S. COSTS OF 55 PERCENT OR DOLS 3,170,750 WILL BE A CASH PAYMENT BY FERROSTAAL A. G., A PRIVATELY-OWNED GERMAN COMPANY IN ESSEN, GERMANY. THE OBLIGOR OF THE CREDITS WILL BE SOCIEDAD SIDERURGIA MIXTA ARGENTINA (SOMISA), OF BUENOS AIRES.

THE EXPANSION PROGRAM CONSISTS OF ADDING A THIRD VESSEL TO SOMISA' BASIC OXYGEN FURNACE STEEL SHOP. AN EXIMBANK CREDIT AUTHORIZED IN JANUARY 1971, HELPED FINANCE A NEW TWO-VESSEL BASIC OXYGEN FURNACE STEEL SHOP.

U.S. SUPPLIERS FOR THE THIRD VESSEL WILL INCLUDE MORGAN ENGINEERING COMPANY, ALLIANCE, OHIO; GENERAL ELECTRIC COMPANY. NEW YORK CITY; FALK CORPORATION, MILWAUKEE, WISCONSIN; AND BLAW-KNOX COMPANY, PITTSBURGH, PENNSYLVANIA. U.S. PURCHASES WILL INCLUDE SLAG POT TILT CARS, LADLE TILT CHAIR, CHARGING LADLES, TEEMING LADLES, SLAG POTS, CHARGING LIFT BEAMS, CONVERTER GEARS, ELECTRICAL EQUIPMENT SUCH AS MOTORS, SWITCH GEAR, AND CONTROLS. ALSO INCLUDED IN U.S. PURCHASES WILL BE COMPONENTS FOR RELADLING CARS, SCRAP BOX TRANSFER CARS, SLAG POT CAR, SCRAP BOXES, TEEMING CRANE, CHARGING LADLES AND INGOT MOLD CARS.

EXIMBANK'S DIRECT CREDIT OF DOLS 2,594,250 WILL BE REPAID IN 20 SEMIANNUAL INSTALLMENTS BEGINNING MAY 5, 1978, WITH INTEREST AT THE RATE OF 8 PERCENT PER ANNUM. REPAYMENT OF EXIMBANK'S LOAN IS TO BE GUARANTEED BY BANCO NACIONAL DE DESARROLLO. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE062871
Document Source: CORE
Document Unique ID: 00
Drafter: XMB:AMGHANIAN
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750098-0550
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750331/aaaabbwl.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: woolflhd
Review Comment: n/a
Review Content Flags:
Review Date: 24 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 JUN 2003 by JonesKG>; APPROVED <07 JAN 2004 by woolflhd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRESS RELEASE ON EXIMBANK CREDIT TO ARGENTINA. FOR YOUR INFORMATION ONLY, FOLLOWING IN FINAL TEXT OF EXPORT-
TAGS: APUB, AR
To: BUENOS AIRES
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006